

Office of the Inspector General (AD0)

The mission of the Office of the Inspector General is to independently: (1) conduct and supervise audits, investigations, and inspections relating to the programs and operations of the District government departments and agencies, including independent agencies; (2) prevent and detect corruption, mismanagement, waste, fraud, and abuse in District programs and operations; and (3) provide a means of keeping the Mayor, Council, and District government department and agency heads fully and currently informed about problems and deficiencies relating to the administration of these programs and operations and the necessity for corrective actions.

Inspector General	Charles Maddox, Esq.
Proposed Operating Budget (\$ in thousands)	\$12,399

Fast Facts

- | | |
|--|--|
| <ul style="list-style-type: none"> The proposed FY 2001 operating budget is \$12,398,597, an increase of \$5,571,336 over the FY 2000 budget. There are 105 full-time equivalents (FTEs) supported by this budget. The agency net increase is largely due to programmatic enhancements such as the expansion of a Medicaid Fraud Unit and the addition of 21 FTEs to strengthen the audit, inspection and investigative functions of the agency. | <ul style="list-style-type: none"> During FY 2000, the agency established an Inspection and Evaluation division. This division will conduct inspections and evaluations of District managers in accordance with defined performance criteria. During FY 2000, the agency established a Medicaid Fraud Unit in conjunction with the Department of Health. |
|--|--|

FY 2001 Proposed Budget by Control Center

The basic unit of budgetary and financial control in the District's financial management system is a control center. The Office of the Inspector General is comprised of one control center that serves as the major component of the agency's budget.

FY 2001 Proposed Budget by Control Center

(Dollars in Thousands)

Office of the Inspector General

Control Center

Proposed FY 2001 Budget

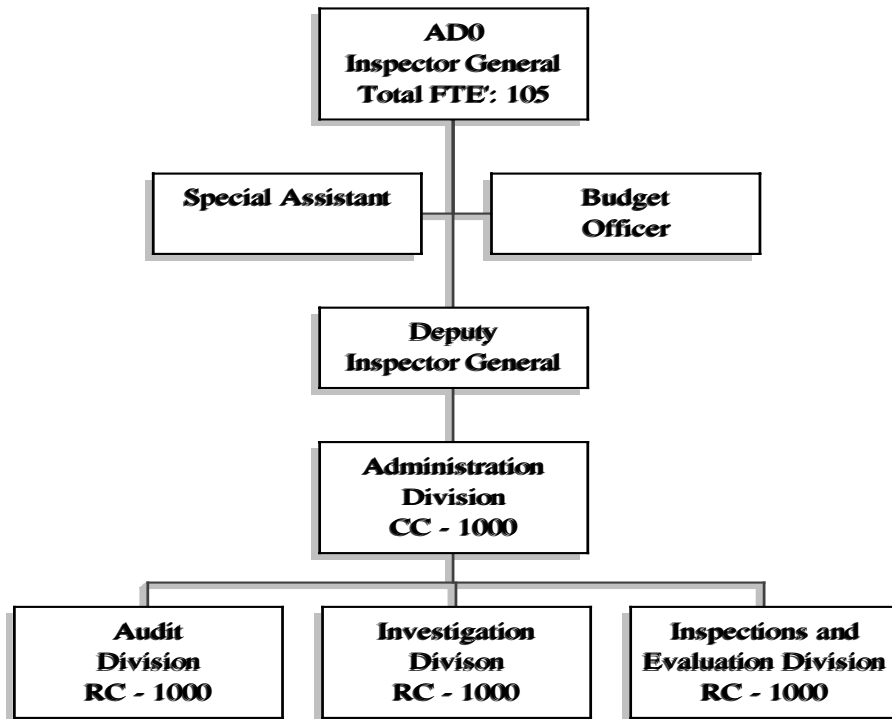
1000 GOVERNMENT SUPPORT	12,399
AD0 Office of the Inspector General	12,399

Agency Overview and Organization

The Office of the Inspector General accomplishes its mission through three divisions: the Audit Division, the Investigation Division, and the Inspections and Evaluations Division. The Audit Division is responsible for conducting audits, reviews and analyzes of financial, operational, and programmatic functions. The Investigation Division is responsible for conducting investigations of fraud and other misconduct by District government employees and contractors doing business with the District of Columbia. The Inspections and Evaluations Division is responsible for conducting inspections and evaluations of District managers in accordance with defined performance criteria. Managers and programs will be evaluated and rated in terms of overall efficiency and effectiveness.

The three divisions carry out their responsibilities through five principal activities:

- Conduct audits, reviews, and analyses of financial, operational and programmatic functions carried out by the agencies and departments of the District of Columbia;
- Investigate fraud and other misconduct by District government employees and contractors conducting business with the District of Columbia; conduct management efficiency and economy reviews of planned and existing programs and operations of the District of Columbia;
- Provide oversight and monitoring services to all agencies and departments to ensure adequate internal controls for all functions and full compliance with the laws, regulations and policies of the District of Columbia;
- Conduct inspections and evaluations of District managers and programs, in support of the Office of the Inspector General's goal of motivating improvements and successes in District government management, procedures and processes that serve District residents; and
- Prosecute Medicaid fraud, recover monies lost due to false claims, and investigate patient abuse.



FY 2001 Proposed Operating Budget

The Operating Budget of the Office of the Inspector General is composed of two categories: (1) Personal Services (PS), and (2) Nonpersonal Services (NPS).

Within the PS budget category are several object classes of expenditure such as regular pay, other pay, additional gross pay, and fringe benefits. Within the NPS budget category are several object classes of expenditure such as supplies and materials, utilities, communications, rent, other services and charges, contractual services, subsidies and transfers, equipment and equipment rental, and debt service.

Authorized spending levels present the dollars and related full-time equivalents (FTE) by revenue type. Revenue types include: Local (tax and non-tax revenue not earmarked for a particular purpose); Federal (revenue provided by the federal government to support federally established programs or grants for a particular purpose).

FY 2001 Proposed Operating Budget

(Dollars in Thousands)

Office of the Inspector General

Object Class	Actual FY 1999		Approved FY 2000		Proposed FY 2001		Variance	
Regular Pay -Cont. Full Time	3,722		3,806		6,681		2,874	
Additional Gross Pay	32		0		0		0	
Fringe Benefits	476		564		901		337	
Subtotal for: Personal Services (PS)	4,230		4,370		7,581		3,211	
Supplies and Materials	43		50		89		39	
Telephone, Telegraph, Telegram	71		75		230		155	
Rentals - Land and Structures	376		303		749		446	
Other Services and Charges	2,625		1,994		3,264		1,270	
Contractual Services - Other	0		0		0		0	
Equipment and Equipment Rental	232		35		486		451	
Subtotal for: Nonpersonal Services (NPS)	3,348		2,457		4,817		2,360	
Total Expenditures:	7,578		6,827		12,399		5,571	
Authorized Spending Levels by Revenue Type:								
	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars
Local	67	7,578	60	6,827	90	11,293	30	4,465
Federal	0	0	0	0	15	1,106	15	1,106
Total:	67	7,578	60	6,827	105	12,399	45	5,571

Agency Funding Summary

The proposed FY 2001 operating budget *for all funding sources* is \$12,398,597, an increase of \$5,571,336 or 81.6 percent, over the FY 2000 budget. There are 105 full-time positions supported by this budget. The Office of the Inspector General receives 91.1 percent of its funding from local and 8.9 percent from federal sources.

- **Local.** The proposed *local* budget is \$11,292,642, an increase of \$4,465,381 from the FY 2000 budget. Of this increase, \$2,407,533 is in personal services, and \$2,057,848 is in nonpersonal services. There are 90 full-time positions funded by local sources.

The change in personal services is comprised of:

- \$296,681 is an increase for the 6 percent pay raise for non-union employees.
- \$493,852 is an increase in personal services, including 9 FTEs, to align FY 2000 budget with the FY 2001 budget.
- \$1,349,000 is an increase to support 21 FTEs needed to enhance the agency's audit, inspection, and investigative functions.
- \$268,000 is an increase in personal services relating to the establishment of the Medicaid Fraud Unit. Assuming that the District's fraud rate is approximately equal to the national average of 10 percent of total dollars spent and based on an estimation of \$840 million being spent by the District last year in Medicaid funds, the OIG would have an opportunity to recover \$84 million in revenues lost to Medicaid fraud.

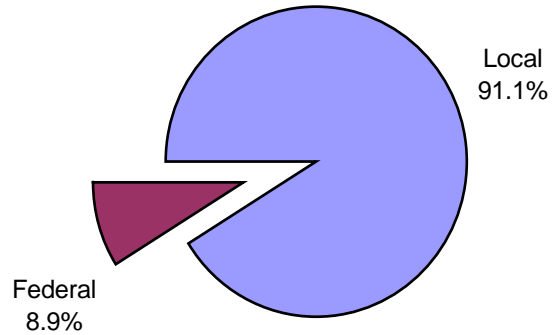
The change in nonpersonal services is comprised of:

- \$438,789 is an increase for rent costs based on Office of Property Management (OPM) estimates and the addition of 21 FTEs.
 - \$77,124 is an increase for telephone costs based on OPM estimates and the addition of 21 FTEs.
 - \$18,935 is an increase for security costs based on OPM estimates.
 - \$1,190,000 is an increase in other services and charges for costs associated with the CAFR.
 - \$298,000 is an increase for equipment costs.
 - \$35,000 is an increase for supplies.
- **Federal.** The proposed *federal* budget is \$1,105,955, an increase of \$1,105,955, from the FY 2000 budget. Of this increase, \$803,554 is in personal services, and \$302,401 is in nonpersonal services. There are 15 full-time positions funded by federal sources. This increase represents the federal portion of the funding necessary for the establishment of the Medicaid Fraud Unit.

Figure 1

**Of the total
Proposed FY 2001
Operating Budget,
91.1 percent is
Local.**

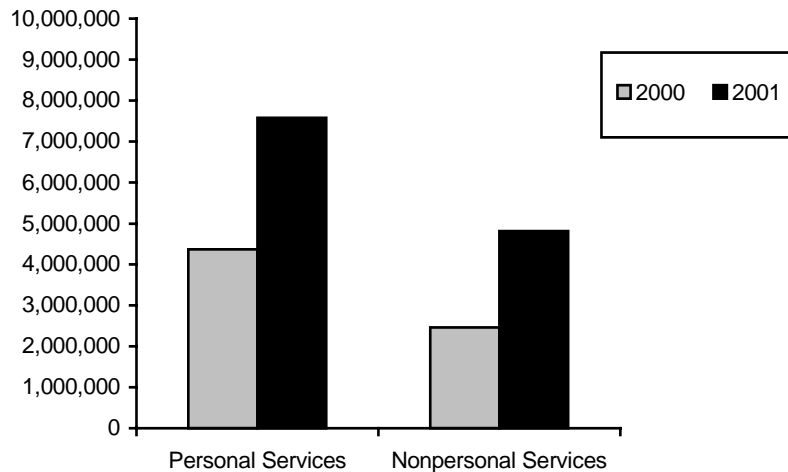
*Federal funds are 8.9 percent of
the total budget.*

**Figure 2**

**FY 2001 Proposed
Budget Includes an
Increase for PS and
NPS**

*Personal Services increased by
73.5 percent, from \$4.4 million
in FY 2000 to \$7.5 million in FY
2001.*

*Nonpersonal services increased
by 96 percent, from \$2.5 million
to \$4.8 million, due to an
increase in rent, equipment, and
other services.*



Occupational Classification Codes

Occupational Classification Codes (OCC) are used by federal agencies like the Bureau of Labor and Census Bureau, as a way of classifying workers into eight major occupational categories for the purpose of collecting, calculating, or disseminating data. The Office of the Inspector General's workforce is divided among five occupational classification codes.

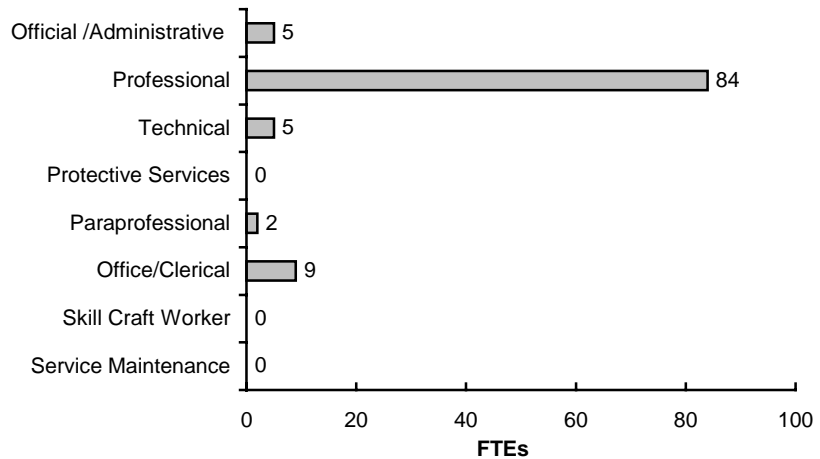
Agency FTEs by Occupational Classification Code

OC Code	FTEs in FY 2001
Official /Administrative	5
Professional	84
Technical	5
Protective Services	0
Paraprofessional	2
Office/Clerical	9
Skill Craft Worker	0
Service Maintenance	0
Total	105

FTE Analysis

Agency FTEs by Occupational Classification Code

The Office of the Inspector General is an administrative agency. Of the total FTEs, 80 percent are Professional.



Performance Measures

Responsibility Center: 1000 – Office of the Inspector General

Performance Measures:

Complaints and Allegations Referred to Investigation Division

Performance Measure	1998 Actual	1999 Actual	2000 Estimate	2001 Projected	2002 Projected
Complaints referred	321	670	680	690	740

Investigations Closed

Performance Measure	1998 Actual	1999 Actual	2000 Estimate	2001 Projected	2002 Projected
Investigations closed	76	188	200	220	220

Investigative Reports Issued

Performance Measure	1998 Actual	1999 Actual	2000 Estimate	2001 Projected	2002 Projected
Investigative Reports Issued	22	26	60	100	100

Audit Reports Issued

Performance Measure	1998 Actual	1999 Actual	2000 Estimate	2001 Projected	2002 Projected
Audit Reports Issued	23	28	28	28	28

Savings Due to Audits

Performance Measure	1998 Actual	1999 Actual	2000 Estimate	2001 Projected	2002 Projected
Millions of Dollars	12	28	35	35	35

Number of Inspections and Evaluations Performed

Performance Measure	1998 Actual	1999 Actual	2000 Estimate	2001 Projected	2002 Projected
Number of Inspections and Evaluations Performed	0	0	4	5	5

Inspections and Evaluations Reports Issued

Performance Measure	1998 Actual	1999 Actual	2000 Estimate	2001 Projected	2002 Projected
Inspection Reports Issued	0	0	4	5	5

